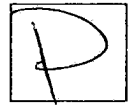


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01853A
Parker Lakeview Estates Homeowners Association Inc.
dba Parker Springs Water Company
HC 2, Box 193
Patagonia, AZ 85624

RECEIVED

MAR 27 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

3-27-07 RF

SCANNED

5-11-07

COMPANY INFORMATION

Company Name (Business Name) <u>Parker Lakeview Estates HOA, Inc.</u>		
Mailing Address <u>Hc2 Box 193</u>		
<u>Patagonia</u> (City)	<u>AZ</u> (State)	<u>85624</u> (Zip)
<u>520 455-9345</u> Telephone No. (Include Area Code)	<u>520 455-5015</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>Spain33@netzero.net</u>		
Local Office Mailing Address <u>Same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Barry Lane</u>			
 (Name)		 (Title)	
<u>mail Hc2 Box 189</u> (Street)	<u>Patagonia</u> (City)	<u>AZ</u> (State)	<u>85624</u> (Zip)
<u>520 455 9355</u> Telephone No. (Include Area Code)	<u>Same</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: _____			
 (Name)			
 (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Gail Spain
 (Name)

142 Box 193 Patagonia AZ 85624
 (Street) (City) (State) (Zip)

520 455-9345 520 455-5015
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Christopher Hitchcock
 (Name)

Copper Queen Plaza, P.O. Box 87, Bisbee, AZ 85603-0087
 (Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Parker, Lakeview Estates HOA, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	26,962.48	14,043.02	12,919.46
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	8000-	8000-	Ø
331	Transmission and Distribution Mains	31,974.68	28,835.00	3,139.68
333	Services			
334	Meters and Meter Installations	2089.81	1934.13	155.68
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	69,026.97	52,812.15	16,214.82

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Parker Lakeview Estates HOA, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	26,962.48	5	2599.02 *
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	8000-	0	0
331	Transmission and Distribution Mains	31974.68	5	657-
333	Services			
334	Meters and Meter Installations	2089.81	5	19-
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	69,026.97		3275.02

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

* includes write off of residual from retired generator

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3994.00	\$ 3040.18
134	Working Funds		
135	Temporary Cash Investments	11 380.00	14,429.69
141	Customer Accounts Receivable	(99.00)	(91.96)
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	817.00	849.75
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 16,092.00	\$ 18,227.66
	FIXED ASSETS		
101	Utility Plant in Service	\$ 64,726.68	\$ 69,026.97
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(49,537.13)	(52,812.15)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 15,199.55	\$ 16,214.82
	TOTAL ASSETS	\$ 31,281.55	\$ 34,442.48

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 1562.00	\$ 952.76
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	66-	80-
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1628.00	\$ 1032.76
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1680.00	1330.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1680.00	\$ 1330.00
	TOTAL LIABILITIES	\$ 3308.00	\$ 2362.76
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	7919.55	7919.55
215	Retained Earnings	20,054.00	24,160.17
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 27,973.55	\$ 32,079.72
	TOTAL LIABILITIES AND CAPITAL	\$ 31,281.55	\$ 34,442.48

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 12,868.05	\$ 13,236.29
460	Unmetered Water Revenue		
474	Other Water Revenues	56.58	85.09
	TOTAL REVENUES	\$ 12,924.63	\$ 13,321.38
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	913.42	1712.10
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	894.77	344.78
621	Office Supplies and Expense	535.59	1075.70
630	Outside Services	525.00	1471.62
635	Water Testing	440.00	505.00
641	Rents	180.62	59.24
650	Transportation Expenses	1173.02	944.56
657	Insurance -- General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense	26.57	49.14
403	Depreciation Expense	1495.00	3275.02
408	Taxes Other Than Income	13.78	1.81
408.11	Property Taxes	207.40	600.72
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 6405.17	\$ 10,039.69
	OPERATING INCOME/(LOSS)	\$ 6519.46	\$ 3281.89
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 32.99	\$ 49.31
421	Non-Utility Income	181.07	775.00
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 214.06	\$ 824.31
	NET INCOME/(LOSS)	\$ 6733.52	\$ 4106.00

COMPANY NAME Parker Lakeview Estates HOA, Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.		N/A		
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 1330⁰⁰

Meter Deposits Refunded During the Test Year

\$ 350⁰⁰

COMPANY NAME		Parker Lakeview Estates HOA, Inc.
Name of System	Parker Springs	ADEQ Public Water System Number (if applicable) 02045

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
RR621240	2 HP	10	125	12		1962

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
none		none	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,666	1	none	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Parker Lakeview Estates HOA, Inc.		
Name of System	Parker Springs	ADEQ Public Water System Number (if applicable)	02045

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2400
3		
4	PVC	2800
5		
6		
8		
10		
12		
2	galvanized	1436

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	19
3/4	19
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

12x20 metal shed housing electrical generators

OTHER:

2 GNA N generators to provide electricity for pumping

Timers and sensors to automate "Keep-Full" pumping

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Parker Lakeview Estates HOA, Inc.	
Name of System	Parker Springs ADEQ Public Water System Number (if applicable) 02045

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	38	20.6	28.2	
FEBRUARY		22.9	30.0	
MARCH		26.5	23.9	
APRIL		23.3	22.5	N/A
MAY		22.5	28.9	
JUNE		28.9	83.7	
JULY		52.1	66.2	
AUGUST		39.0	44.1	
SEPTEMBER		23.2	38.6	
OCTOBER		22.4	40.6	
NOVEMBER		23.4	23.4	
DECEMBER	7	67.7	37.3	
TOTALS →		448.6	46.7	

What is the level of arsenic for each well on your system? <.0030 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (☒) No N/A

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (☒) No

If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 600.72

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Checks 2124
2096



March 01, 2006 through March 31, 2006
Account Number: 000000024427391

IMAGES FOR ACCOUNT #000000024427391

2096
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE 2-27-06
PAY TO THE ORDER OF Mrs. Barbara Anderson, Arden Co. 2nd \$207.00
Twenty hundred and seven and 00/100
BANK ONE
FOR Paul Spain
#002096# 61221000246 24427391# 0000002096

005240830280 MAR 07 #0000002096 \$207.40

2097
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE 3-6-06
PAY TO THE ORDER OF Berry Lane \$12.00
Twelve and 00/100
BANK ONE
FOR Paul Spain
#002097# 61221000246 24427391# 0000002097

008740821434 MAR 09 #0000002097 \$12.00

2098
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE March 9-2006
PAY TO THE ORDER OF Mrs. A. J. Conception, Criminal \$10.00
Ten and 00/100
BANK ONE
FOR Paul Spain
#002098# 61221000246 24427391# 0000002098

0087403115216 MAR 20 #0000002098 \$10.00

2099
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE March 8-2006
PAY TO THE ORDER OF Resnick, Leticia, Inc. \$20.00
Twenty and 00/100
BANK ONE
FOR Paul Spain
#002099# 61221000246 24427391# 0000002099

008740085054 MAR 14 #0000002099 \$20.00

2100
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE 3-15-06
PAY TO THE ORDER OF Angela Small, Utilities, Arden \$75.55
Seventy five and 55/100
BANK ONE
FOR Paul Spain
#002100# 61221000246 24427391# 0000002100

005540118479 MAR 23 #0000002100 \$75.55

2101
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE 3-20-06
PAY TO THE ORDER OF Berry Lane \$12.32
Twelve and 32/100
BANK ONE
FOR Paul Spain
#002101# 61221000246 24427391# 0000002101

008740724302 MAR 28 #0000002101 \$12.32

2102
PARKER LAKEVIEW ESTATES
HOMEOWNERS ASSOCIATION
HC2 Box 193
Patagonia, AZ 85624
DATE 3-22-06
PAY TO THE ORDER OF Paul Spain \$294.00
Two hundred and ninety four and 00/100
BANK ONE
FOR Paul Spain
#002102# 61221000246 24427391# 0000002102

009440642815 MAR 23 #0000002102 \$294.00

Need more information about any of these images of cleared items? Registered users of Bank One Online see BOTH front and back of images of cleared items. Bank One Online is a free service. Visit www.BankOne.com to enroll or log in.

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

MAR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OR (COUNTY NAME) <u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Gail Spain, Treasurer</u>
COMPANY NAME <u>Parker Lakeview Est. HOA INC</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Gail Spain

SIGNATURE OF OWNER OR OFFICIAL

520 455-9345

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19th

DAY OF

COUNTY NAME

Cochise

MONTH

MARCH

19th 2007

(SEA)



MY COMMISSION EXPIRES

L. Tillman

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Parker Lakeview Est HOA

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

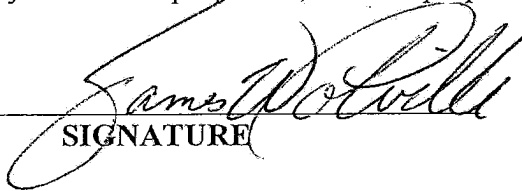
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>1330.00</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

 SIGNATURE	<u>3/27/07</u> DATE
<u>James Colville</u> PRINTED NAME	<u>President</u> TITLE

RECEIVED

MAR 27 2007

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Gail Spain, Treasurer</u>
COMPANY NAME <u>Parker Lakeview Est HOA INC</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 14,714.98

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 832.06
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Gail Spain
SIGNATURE OF OWNER OR OFFICIAL

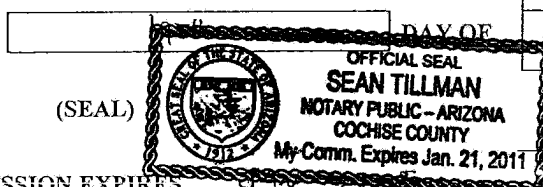
455-9348

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

COUNTY NAME	<u>COCHISE</u>	
MONTH	<u>MARCH</u>	<u>2007</u>

L. Till
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

MAR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 14,714.98

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 832.06
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Gail Spain
SIGNATURE OF OWNER OR OFFICIAL

455-9345
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19TH

DAY OF

(SEAL)

MY COMMISSION



NOTARY PUBLIC NAME

SEAN TILLMAN

COUNTY NAME

COCHISE

MONTH

MARCH

2007

X

L. Tillman

SIGNATURE OF NOTARY PUBLIC